AMENDED IN ASSEMBLY MARCH 19, 2003 AMENDED IN ASSEMBLY FEBRUARY 14, 2003 AMENDED IN ASSEMBLY JANUARY 16, 2003

CALIFORNIA LEGISLATURE—2003-04 REGULAR SESSION

ASSEMBLY BILL

No. 42

Introduced by Assembly Member Daucher (Principal coauthors: Assembly Members Leslie and Maze) (Coauthors: Assembly Members Aghazarian, Benoit, Campbell, Cogdill, Cox, Garcia, La Malfa, Longville, McCarthy, Pacheco, Samuelian, and Spitzer)

(Coauthors: Senators Alpert and Knight)

December 2, 2002

An act to amend, *repeal, and add* Sections 52122, 52123, 52124, and 52126 of the Education Code, relating to public schools.

LEGISLATIVE COUNSEL'S DIGEST

AB 42, as amended, Daucher. Class size reduction.

Existing law establishes the Class Size Reduction Program in which participating school districts are provided funding for reducing class size to a ratio of 20 pupils to 1 teacher in kindergarten and any of grades 1 to 3, inclusive. Existing law allows certain small school districts to determine the average class size on a schoolsite basis rather than on an individual class basis if the ratio of pupils to teacher in any class included in the average does not exceed the 20 to 1 ratio by more than 2 pupils.

AB 42 — 2 —

This bill would, *until July 1, 2006*, authorize all school districts to determine average class size on a schoolsite basis in the same manner as certain small school districts.

Existing law requires the Class Size Reduction Program to be implemented in accordance with a prescribed order of priority regarding grade level.

This bill would, *until July 1*, 2006, require any school district establishing a class size reduction program to select the grade level or levels at a schoolsite to be reduced and to give priority to reducing class size in the selected grade level or levels before reducing class size in other grade levels at the schoolsite.

This bill would make other technical and conforming changes.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. It is the intent of the Legislature in enacting this
- 2 act to encourage continued participation in the Class Size
- 3 Reduction Program by providing school districts the opportunity
- 4 to make implementation decisions at the local level.
- 5 SEC. 2. Section 52122 of the Education Code is amended to 6 read:
- 7 52122. (a) Except as otherwise provided by Section 52123,
- 8 a school district that maintains kindergarten or any of grades 1 to
- 9 3, inclusive, may apply to the Superintendent of Public Instruction
- 10 for an apportionment to implement a class size reduction program
- 11 in that school district in kindergarten and any of grades 1 to 3,
- 12 inclusive

15

16 17

18

19 20

21

- 13 (b) An application submitted pursuant to this chapter shall identify both of the following:
 - (1) Each class that will participate in the Class Size Reduction Program.
 - (2) For each class that will participate in the Class Size Reduction Program, whether that class will operate under Option One or Option Two:
 - (A) (i) Option One: A school district shall provide a reduced class size for all pupils in each classroom for the full regular schoolday in each grade level for which funding is claimed. For the purposes of this chapter, "full regular schoolday" means a

3 AB 42

substantial majority of the instructional minutes per day, but shall permit limited periods of time during which pupils are brought together for a particular phase of education in groups that are larger than 20 pupils per certificated teacher. It is the intent of the Legislature that those limited periods of time be kept to a minimum and that instruction in reading and mathematics not be delivered during those limited periods of time. For the purposes of this subparagraph, "class" is defined in the same manner as provided in the regulations adopted by the Superintendent of Public Instruction prior to July 1, 1996, pursuant to Sections 41376 and 41378 (subdivision (a) of Section 15103 of Title 5 of the California Code of Regulations).

- (ii) The purpose of the Class Size Reduction Program is to ensure that children in public school in kindergarten and grades 1 to 3, inclusive, receive instruction in classrooms where there are not more than 20 pupils. In order to qualify for funding pursuant to this chapter, each class in the Class Size Reduction Program shall be maintained with an annual schoolsite average class size of not more than 20 pupils for the instructional time that qualifies the class for funding pursuant to this chapter. For purposes of this chapter, average class size is determined by calculating the total number of pupils at a schoolsite who are enrolled in classes at all grade levels that participate in the Class Size Reduction Program divided by the total number of classes at the schoolsite at all grade levels that participate in the Class Size Reduction Program. The ratio of pupils to teacher in any class included in the average may not exceed the 20 to 1 standard ratio by more than two pupils.
- (B) (i) Option Two: A school district shall provide a reduced class size for all pupils in each classroom for at least one-half of the instructional minutes offered per day in each grade level for which funding is claimed. A school district selecting this option shall primarily devote those instructional minutes to the subject areas of reading and mathematics. For the purposes of this subparagraph, "class" is defined in the same manner as provided in the regulations adopted by the Superintendent of Public Instruction prior to July 1, 1996, pursuant to Sections 41376 and 41378 (subdivision (a) of Section 15103 of Title 5 of the California Code of Regulations).
- (ii) The purpose of the Class Size Reduction Program is to ensure that children in public school in kindergarten and grades 1

AB 42 — 4—

to 3, inclusive, receive instruction in classrooms where there are not more than 20 pupils. In order to qualify for funding pursuant to this chapter, each class in the Class Size Reduction Program shall be maintained with an annual schoolsite average class size of 5 not more than 20 pupils for the instructional time that qualifies the 6 class for funding pursuant to this chapter. For purposes of this chapter, average class size is determined by calculating the total number of pupils at a schoolsite who are enrolled in classes at all 9 grade levels that participate in the Class Size Reduction Program divided by the total number of classes at the schoolsite at all grade 10 11 levels that participate in the Class Size Reduction Program. The 12 ratio of pupils to teacher in any class included in the average may 13 not exceed the 20 to 1 standard ratio by more than two pupils.

- (c) A school district that intends to implement or continue to implement a class size reduction program shall submit an application for funding pursuant to this chapter to the Superintendent of Public Instruction not later than 90 days after the annual Budget Act is chaptered, unless otherwise specified in regulations adopted by the State Board of Education.
- (d) Any school district that reduces class size through the use of an early-late instructional program is ineligible to use Section 46205, relating to the computation of instructional time for purposes of the Incentive for Longer Instructional Day and Year, in any grade level for which class size reduction funding is received pursuant to this chapter. Any school district that operated under Section 46205 prior to July 1, 1996, may receive class size reduction funding pursuant to Option One in any grade level for which class size reduction funding would otherwise be received pursuant to Option One.

SEC. 3.

14

15

16

17

19

20

21

22

23

24

2526

27

28

29

30

31

32 33

34

37

- (e) This section shall become inoperative on July 1, 2006, and, as of January 1, 2007, is repealed, unless a later enacted statute that is enacted before January 1, 2007, deletes or extends the dates on which it becomes inoperative and is repealed.
- 35 SEC. 3. Section 52122 is added to the Education Code, to 36 read:
 - 52122. (a) Except as otherwise provided by Section 52123, a school district that maintains kindergarten or any of grades 1 to 3, inclusive, may apply to the Superintendent of Public Instruction for an apportionment to implement a class size reduction program

__ 5 __ AB 42

1 in that school district in kindergarten and any of grades 1 to 3, 2 inclusive.

- (b) An application submitted pursuant to this chapter shall identify both of the following:
- (1) Each class that will participate in the Class Size Reduction Program.
- (2) For each class that will participate in the Class Size Reduction Program, whether that class will operate under Option One or Option Two:
- (A) (i) Option One: A school district shall provide a reduced class size for all pupils in each classroom for the full regular schoolday in each grade level for which funding is claimed. For the purposes of this chapter, "full regular schoolday" means a substantial majority of the instructional minutes per day, but shall permit limited periods of time during which pupils are brought together for a particular phase of education in groups that are larger than 20 pupils per certificated teacher. It is the intent of the *Legislature that those limited periods of time be kept to a minimum* and that instruction in reading and mathematics not be delivered during those limited periods of time. For the purposes of this subparagraph, "class" is defined in the same manner as provided in the regulations adopted by the Superintendent of Public Instruction prior to July 1, 1996, pursuant to Sections 41376 and 41378 (subdivision (a) of Section 15103 of Title 5 of the California Code of Regulations).
- (ii) The purpose of the Class Size Reduction Program is to ensure that children in public school in kindergarten and grades 1 to 3, inclusive, receive instruction in classrooms where there are not more than 20 pupils. Except as provided in subdivision (e), in order to qualify for funding pursuant to this chapter, each class in the Class Size Reduction Program shall be maintained with an annual average class size of not more than 20 pupils for the instructional time that qualifies the class for funding pursuant to this chapter. This chapter does not prohibit the class size from exceeding 20 pupils on any particular day, provided that the average class size for the school year does not exceed 20.
- (B) (i) Option Two: A school district shall provide a reduced class size for all pupils in each classroom for at least one-half of the instructional minutes offered per day in each grade level for which funding is claimed. A school district selecting this option

AB 42 — 6 —

shall primarily devote those instructional minutes to the subject areas of reading and mathematics. For the purposes of this subparagraph, "class" is defined in the same manner as provided in the regulations adopted by the Superintendent of Public Instruction prior to July 1, 1996, pursuant to Sections 41376 and 41378 (subdivision (a) of Section 15103 of Title 5 of the California Code of Regulations).

- (ii) The purpose of the Class Size Reduction Program is to ensure that children in public school in kindergarten and grades 1 to 3, inclusive, receive instruction in classrooms where there are not more than 20 pupils. Except as provided in subdivision (e), in order to qualify for funding pursuant to this chapter, each class in the Class Size Reduction Program shall be maintained with an annual average class size of not more than 20 pupils for the instructional time that qualifies the class for funding pursuant to this chapter. This chapter does not prohibit the class size from exceeding 20 pupils on any particular day, provided that the average class size for the school year does not exceed 20.
- (c) A school district that intends to implement or continue to implement a class size reduction program shall submit an application for funding pursuant to this chapter to the Superintendent of Public Instruction not later than 90 days after the annual Budget Act is chaptered, unless otherwise specified in regulations adopted by the State Board of Education.
- (d) Any school district that reduces class size through the use of an early-late instructional program is ineligible to use Section 46205, relating to the computation of instructional time for purposes of the Incentive for Longer Instructional Day and Year, in any grade level for which class size reduction funding is received pursuant to this chapter. A school district that operated under Section 46205 prior to July 1, 1996, may receive class size reduction funding pursuant to Option One in any grade level for which class size reduction funding would otherwise be received pursuant to Option One.
- (e) (1) Notwithstanding any other provision of law, a school district that maintains only one school serving pupils in kindergarten and grades 1 to 3, inclusive, is eligible to receive funding under this section on behalf of the school if there are no more than two classes per participating grade level and the average class size is no more than 20 pupils in each of the classes

—7— AB 42

participating in class size reduction at that schoolsite. For purposes of this subdivision, average class size may be determined by calculating the total number of pupils enrolled in all classes at all grade levels in a school that will participate in the Class Size Reduction Program divided by the total number of classes in the 5 6 school. The ratio of pupils to teacher in any class included in the average shall not exceed the 20 to 1 standard by more than two pupils.

8

9

10

12 13

14

15 16

17

18

19

20

21

22

23

24

25

26

28

30

31

32

33

34

35

36

37

38

- (2) As a condition of applying for funding under this subdivision, a governing board shall make a public declaration, either by adopting a resolution or by issuing a statement in a publicly noticed open meeting, that it has exhausted all possible alternatives to averaging and is unable to achieve the 20 to 1 pupil-teacher ratio in a way that is educationally acceptable.
 - (f) This section shall become operative on July 1, 2006.
- SEC. 4. Section 52123 of the Education Code is amended to read:
- The application of a school district for funding to 52123. implement a program pursuant to this chapter shall include certification of each of the following items as a condition to receiving an apportionment under Section 52126:
- (a) Certification of the number of classes in each eligible grade level selected for a class size reduction apportionment pursuant to this chapter.
- (b) Certification of pupil enrollment, as of October of the previous calendar year, in each class selected for class size reduction pursuant to subdivision (a). Classes comprised of special education pupils enrolled in special day classes on a full-time basis may not be included in this program. A school district may not claim funding pursuant to this chapter for a pupil who is enrolled in independent study pursuant to Article 5.5 (commencing with Section 51745) of Chapter 5 of Part 28 for the full regular schoolday nor may a school district claim funding pursuant to this chapter for a pupil for any portion of the full regular day that the pupil is enrolled in independent study pursuant to that article. A charter school may not claim funding pursuant to this chapter for a pupil who is enrolled in a program of home study for the full regular schoolday nor may a charter school claim funding for a pupil for any portion of the full regular schoolday that the pupil is enrolled in a program of home study.

AB 42 — 8 —

(c) (1) Certification that a certificated teacher has been hired by the school district and is providing direct instructional services to each class selected for class size reduction pursuant to this chapter and that there are not more than an average at the schoolsite of 20 pupils per each class, with the ratio of pupils to teacher not exceeding the 20 to 1 standard ratio by more than two pupils.

- (2) For the purposes of this subdivision, "class" is defined in the same manner as provided in the regulations adopted by the Superintendent of Public Instruction prior to July 1, 1996, pursuant to Sections 41376 and 41378 (subdivision (a) of Section 15103 of Title 5 of the California Code of Regulations).
- (d) Certification that the school district has a staff development program pursuant to Section 52127 and that the program has been approved by the governing board of the school district.
- (e) Certification that the school district will collect and maintain any data required by the Superintendent of Public Instruction that will aid in the evaluation of the Class Size Reduction Program. The data shall include, but not be limited to, individual test scores or other records of pupil achievement. Data collected shall be protected in a manner that will not permit the personal identification of any pupil or parent.
- (f) Certification that each class reduced pursuant to this chapter is housed in either a separate, self-contained classroom or that the space of each class for each grade level at that schoolsite provides a square footage per pupil enrolled in each class that is not less than the average square footage per pupil enrolled in those grade levels at that schoolsite in the 1995–96 school year.

SEC. 4.

- (g) This section shall become inoperative on July 1, 2006, and, as of January 1, 2007, is repealed, unless a later enacted statute that is enacted before January 1, 2007, deletes or extends the dates on which it becomes inoperative and is repealed.
- SEC. 5. Section 52123 is added to the Education Code, to read:
- 52123. The application of a school district for funding to implement a program pursuant to this chapter shall include certification of each of the following items as a condition to receiving an apportionment under Section 52126:

__9__ AB 42

(a) Certification of the number of classes in each eligible grade level selected for a class size reduction apportionment pursuant to this chapter.

1

3

4 5

9

10

11

12 13

14

15

16 17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34 35

36

37

38

- (b) Certification of pupil enrollment, as of October of the previous calendar year, in each class selected for class size reduction pursuant to subdivision (a). Classes comprised of special education pupils enrolled in special day classes on a full-time basis may not be included in this program. A school district may not claim funding pursuant to this chapter for a pupil who is enrolled in independent study pursuant to Article 5.5 (commencing with Section 51745) of Chapter 5 of Part 28 for the full regular schoolday nor may a school district claim funding pursuant to this chapter for a pupil for any portion of the full regular schoolday that the pupil is enrolled in independent study pursuant to that article. A charter school may not claim funding pursuant to this chapter for a pupil who is enrolled in a program of home study for the full regular schoolday nor may a charter school claim funding for a pupil for any portion of the full regular schoolday that the pupil is enrolled in a program of home study.
- (c) (1) Certification that a certificated teacher has been hired by the school district and is providing direct instructional services to each class selected for class size reduction pursuant to this chapter and that there are not more than 20 pupils per each class.
- (2) For the purposes of this subdivision, "class" is defined in the same manner as provided in the regulations adopted by the Superintendent of Public Instruction prior to July 1, 1996, pursuant to Sections 41376 and 41378 (subdivision (a) of Section 15103 of Title 5 of the California Code of Regulations).
- (d) Certification that the school district has a staff development program pursuant to Section 52127 and that the program has been approved by the governing board of the school district.
- (e) Certification that the school district will collect and maintain any data required by the Superintendent of Public Instruction that will aid in the evaluation of the Class Size Reduction Program. The data shall include, but not be limited to, individual test scores or other records of pupil achievement. Data collected shall be protected in a manner that will not permit the personal identification of any pupil or parent.
- (f) Certification that each class reduced pursuant to this chapter is housed in either a separate, self-contained classroom or

AB 42 — 10 —

 that the space of each class for each grade level at that schoolsite provides a square footage per pupil enrolled in each class that is not less than the average square footage per pupil enrolled in those grade levels at that schoolsite in the 1995–96 school year.

- (g) This section shall become operative on July 1, 2006.
- *SEC.* 6. Section 52124 of the Education Code is amended to read:
- 52124. (a) A school district that implements a class size reduction program pursuant to this chapter is subject to this section.
- (b) A school district may establish a program to reduce class size in kindergarten and grades 1 to 3, inclusive. In order to best meet the needs of its pupils, the governing board of a school district shall do both of the following:
- (1) Select the grade level or levels to be reduced at each schoolsite.
- (2) Give priority to reducing class size in the selected grade level or levels at a schoolsite before reducing class size in other grade levels at that schoolsite.
- (c) It is the intent of the Legislature to continue to permit the use of combination classes of more than one grade level to the extent that school districts are otherwise permitted to use that instructional strategy. However, any school district that uses a combination class in any class for which funding is received pursuant to this chapter may not claim funding pursuant to this chapter if the total number of pupils in the combination class, regardless of grade level, exceeds 20 pupils per certificated teacher assigned to provide direct instructional services.
- (d) The governing board of a school district shall certify to the Superintendent of Public Instruction that it has met the requirements of this section in implementing its class size reduction program. If a school district receives funding pursuant to this chapter but has not implemented its class size reduction program for all grades and classes for which it received funding pursuant to this chapter, the Superintendent of Public Instruction shall notify the Controller and the school district in writing and the Controller shall deduct an amount equal to the amount received by the school district under this chapter for each class that the school district failed to reduce to a class size of 20 or less pupils from the school district's next principal apportionment or apportionments

— 11 — AB 42

of state funds to the district, other than basic aid apportionments required by Section 6 of Article IX of the California Constitution.

SEC. 5.

- (e) This section shall become inoperative on July 1, 2006, and, as of January 1, 2007, is repealed, unless a later enacted statute that is enacted before January 1, 2007, deletes or extends the dates on which it becomes inoperative and is repealed.
- SEC. 7. Section 52124 is added to the Education Code, to read:
- 52124. (a) A school district that implements a class size reduction program pursuant to this chapter is subject to this section.
- (b) A school district may establish a program to reduce class size in kindergarten and grades 1 to 3, inclusive, and that program shall be implemented at each schoolsite according to the following priorities:
- (1) If only one grade level is reduced at a schoolsite, the grade level shall be grade 1.
- (2) If only two grade levels are reduced at a schoolsite, the grade levels shall be grades 1 and 2.
- (3) If three grade levels are reduced at a schoolsite, then those grade levels shall be kindergarten and grades 1 and 2 or grades 1 to 3, inclusive. Priority shall be given to the reduction of class sizes in grades 1 and 2 before the class sizes of kindergarten or grade 3 are reduced.
- (4) If four grade levels are reduced at a schoolsite, then those grade levels shall be kindergarten and grades 1 to 3, inclusive. First priority shall be given to the reduction of class sizes in grades 1 and 2, second priority shall be given to the reduction of class size in kindergarten and grade 3. This paragraph shall be operative only in those fiscal years for which funds are appropriated expressly for the purposes of this paragraph.
- (c) It is the intent of the Legislature to continue to permit the use of combination classes of more than one grade level to the extent that school districts are otherwise permitted to use that instructional strategy. However, any school district that uses a combination class in any class for which funding is received pursuant to this chapter may not claim funding pursuant to this chapter if the total number of pupils in the combination class,

AB 42 — 12 —

 regardless of grade level, exceeds 20 pupils per certificated teacher assigned to provide direct instructional services.

- (d) The governing board of a school district shall certify to the Superintendent of Public Instruction that it has met the requirements of this section in implementing its class size reduction program. If a school district receives funding pursuant to this chapter but has not implemented its class size reduction program for all grades and classes for which it received funding pursuant to this chapter, the Superintendent of Public Instruction shall notify the Controller and the school district in writing and the Controller shall deduct an amount equal to the amount received by the school district under this chapter for each class that the school district failed to reduce to a class size of 20 or less pupils from the school district's next principal apportionment or apportionments of state funds to the district, other than basic aid apportionments required by Section 6 of Article IX of the California Constitution.
 - (e) This section shall become operative on July 1, 2006.
- *SEC.* 8. Section 52126 of the Education Code is amended to read:
- 52126. The amount of funding that each school district implementing a class size reduction program pursuant to this chapter is eligible to receive shall be computed as follows:
- (a) If a school district applies to participate in Option One, pursuant to subparagraph (A) of paragraph (2) of subdivision (b) of Section 52122, the Superintendent of Public Instruction shall apportion to the applicant school district an amount equal to eight hundred dollars (\$800) for each pupil actually enrolled in the classes in which the school district implements the program, except that the maximum number of pupils for which a school district may claim funding for any class at a schoolsite may not exceed a schoolsite average class size of 20 by more than two pupils. The number of pupils claimed pursuant to this subdivision shall be pupils actually enrolled in classes participating in the Class Size Reduction Program.
- (b) If a school district applies to participate in Option Two, pursuant to subparagraph (B) of paragraph (2) of subdivision (b) of Section 52122, the Superintendent of Public Instruction shall apportion to the applicant school district an amount equal to four hundred dollars (\$400) per pupil actually enrolled in the classes in which the school district implements the program, except that the

— 13 — AB 42

number of pupils in any class for which a school district may claim funding for the instructional minutes offered at a schoolsite may not exceed a schoolsite average class size of 20 by more than two pupils. The number of pupils claimed pursuant to this subdivision shall be pupils actually enrolled in classes participating in the Class Size Reduction Program.

- (c) The per pupil amount set forth in subdivisions (a) and (b) shall be increased annually for inflation by the percentage change determined pursuant to subdivision (b) of Section 42238.1.
- (d) Except for the advance apportionment, the Superintendent of Public Instruction shall apportion funds to a school district only after certification that its class size reduction program has been implemented for that fiscal year.
- (e) The Superintendent of Public Instruction shall apportion funds for this program in the following manner:
- (1) An advance apportionment shall be made following passage of the annual Budget Act. This apportionment shall be provided to all school districts that participated in the program in the prior fiscal year and shall be limited to 25 percent of the amount computed by multiplying the appropriate per pupil stipends times the actual enrollment in each participating class in the prior fiscal year, as reported by the district pursuant to subdivision (d) of Section 52124.
- (2) Each year an apportionment to all applicants shall be made following receipt of applications submitted pursuant to Section 52123, adjusted as necessary by the amount received pursuant to paragraph (1). If a school district that participated in this program in the prior fiscal year fails to submit an application, all funds apportioned to that school district pursuant to paragraph (1) shall be deducted from the next monthly principal apportionment payment received by the district.
- (3) A final adjustment to the amounts paid pursuant to paragraph (2) shall be made following receipt of the actual enrollment in each participating class, to be reported by each school district pursuant to subdivision (d) of Section 52124.
- (f) Irrespective of the amount that a school district receives pursuant to subdivision (a) on the basis of the application it makes under Section 52123, that district may not retain any funds it receives for any class that does not actually meet all of the requirements of the Class Size Reduction Program.

AB 42 — 14 —

(g) It is the intent of the Legislature that the total statewide amount computed for the purposes of this chapter pursuant to this section, commencing with the 1997–98 fiscal year, be section be appropriated to the Superintendent of Public Instruction in the annual Budget Act.

- (h) This section shall become inoperative on July 1, 2006, and, as of January 1, 2007, is repealed, unless a later enacted statute that is enacted before January 1, 2007, deletes or extends the dates on which it becomes inoperative and is repealed.
- 10 SEC. 9. Section 52126 is added to the Education Code, to 11 read:
 - 52126. The amount of funding that each school district implementing a Class Size Reduction Program pursuant to this chapter is eligible to receive shall be computed as follows:
 - (a) If a school district applies to participate in Option One, pursuant to subparagraph (A) of paragraph (2) of subdivision (b) of Section 52122, the Superintendent of Public Instruction shall apportion to the applicant school district an amount equal to eight hundred dollars (\$800) for each pupil actually enrolled in the classes in which the school district implements the program, except that the maximum number of pupils for which a school district may claim funding for any class shall not exceed 20. The number of pupils claimed pursuant to this subdivision shall be pupils actually enrolled in classes participating in the Class Size Reduction Program and may not be based on the average size of the classes for any grade levels for which funding is claimed.
 - (b) If a school district applies to participate in Option Two, pursuant to subparagraph (B) of paragraph (2) of subdivision (b) of Section 52122, the Superintendent of Public Instruction shall apportion to the applicant school district an amount equal to four hundred dollars (\$400) per pupil actually enrolled in the classes in which the school district implements the program, except that the number of pupils in any class for which a school district may claim funding for the instructional minutes offered shall not exceed 20. The number of pupils claimed pursuant to this subdivision shall be pupils actually enrolled in classes participating in the Class Size Reduction Program and shall not be based on the average size of the classes for any grade levels for which funding is claimed.

— 15 — AB 42

(c) The per pupil amount set forth in subdivisions (a) and (b) shall be increased annually for inflation by the percentage change determined pursuant to subdivision (b) of Section 42238.1.

- (d) Except for the advance apportionment, the Superintendent of Public Instruction shall apportion funds to a school district only after certification that its class size reduction program has been implemented for that fiscal year.
- (e) The Superintendent of Public Instruction shall apportion funds for this program in the following manner:
- (1) An advance apportionment shall be made following passage of the annual Budget Act. This apportionment shall be provided to all school districts that participated in the program in the prior fiscal year, and shall be limited to 25 percent of the amount computed by multiplying the appropriate per pupil stipends times the actual enrollment in each participating class in the prior fiscal year, as reported by the district pursuant to subdivision (d) of Section 52124.
- (2) Each year an apportionment to all applicants shall be made following receipt of applications submitted pursuant to Section 52123, adjusted as necessary by the amount received pursuant to paragraph (1). If a school district that participated in this program in the prior fiscal year fails to submit an application, all funds apportioned to that school district pursuant to paragraph (1) shall be deducted from the next monthly principal apportionment payment received by the district.
- (3) A final adjustment to the amounts paid pursuant to paragraph (2) shall be made following receipt of the actual enrollment in each participating class, to be reported by each school district pursuant to subdivision (d) of Section 52124.
- (f) Irrespective of the amount that a school district receives pursuant to subdivision (a) on the basis of the application it makes under Section 52123, that district may not retain any funds it receives for any class that does not actually meet all of the requirements of the Class Size Reduction Program.
- (g) It is the intent of the Legislature that the total statewide amount computed for the purposes of this chapter pursuant to this section be appropriated to the Superintendent of Public Instruction in the annual Budget Act.

AB 42 — 16 —

1 (h) This section shall become operative on July 1, 2006.